Previous references.

Mis 3-11-1905

1902

(Inscription)

File No. 176 12

Serial Nos. 142

Later references

1729-17

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 142

Part B. for September 1912.

SUBJECT.

Investment of the Surplus Funds of Inscription Institution in the Kolar District in the 4% District Board Railway Debenture Loan

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Sl 1 - From the Deputy Comr, Kolar District D.O. No 2969 dated 9-9-12 Solicits Sanction to the investment of the Surplus Funds of the Inscription Institutions in the 4% District Board Railway Debenture Loan.

Sl 2 To the Dy Comr, Kolar District D.O. No 445 Dated 23-9-1912. Replies that Government do not see their way for a re consideration of their order Dated 1st Aug 1912, for the present at all events.

~~G. R. S. 58~~

A.H.A Gaston

Records

G.R.S. 11] 1912.

GENERAL AND REVENUE SECRETARIAT.

(Muzrai)

NOTES.

File No. 176-12

FILE HEADING.

Investment of the Surplus funds of Muzrai institutions in the Kolar Dt in the 4% District Board Ry Debenture Loan

From

P T Bowring, Esqre, Dy Comr, Kolar Dt

No. D.O Dated 9-9-12 Received 16-9-12

Diary No. 480	Enclos. nil Spare Copies. nil	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Again urges for sanction being accorded to the investment of the above Surplus fund in the Ry Debenture Loan

NOTES AND ORDERS.

The question has been discussed ~~at~~ fully in Muz. 7 3× - 11.

Attention is respectfully invited to para 27 on pp 8 of the office notes in the file which runs as follows -

NOTES First Sheet.

GPB—30,000—12 8 11

General and Revenue Secretariat. | Mwz File No. 176 of 1912

Serial No.

"The only way in which such temple funds can validly be invested in such a security is that Govt should lend the sum as its money and remain responsible to the institutions as a depositee for the full principal amount. In other words, the Govt really & not the Mwz institus concerned is the investor. If this is well understood and agreed to, the Dy Comrs proposal may be sanctioned

(Sd) H V. N 18-8-11"

G.O. No 813-4/N.73-11-4 & 11-10-11

Govt ~~accordingly~~ declined to sanction the investment of these funds in the debenture Loan and the Comptroller was requested to have the uninvested surplus amounts (about Rs 30,000/-) to be invested in Govt of India Securities or other readily realisable ~~secured~~ security.

57-N.

On further representation being made by the Comptroller that ~~the Govt Advocate~~ in the opinion of the Govt. Advocate there appeared to be no valid objection to such investment and that the funds might therefore be invested in the

NOTE—Contn. sheet.

GPE—61,000—17-6-12.

13

General and Revenue Secretariat. | Mur File No. 176 of 1912

Serial No.

Railway Loan, the question was considered twice in Council and Govt. Sanction was again refused to the investment.

The Dy Comr again urges for a reconsideration of the orders already passed

Dewan's orders on the D.O. under disposal

" Secretary. Please let me have the draft of a reply (Sd) T A R 12-9-12

Secretary's orders on the same

" Br VII. Please put up file with draft reply. (Sd) K.R.S. 16-9-12

Subd for orders with draft Cypl (139) 17-9-12. of a reply to Mr Bowring as called for by the Dewan

17-9-12

Secy)

18/9/12

The

Dewan dr. 11

NOTE—Contn. sheet.

GPE—61,000—17-6-12.

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neral and Revenue Secretariat.

File No. 176 of 1912

Serial No.

The question of investing the Surplus funds of certain Municipalities in the Kolar Dist in the Kolar D Board Railway Debentures was first discussed in Council; and in Feb'y 12. The Council being opposed to such investment. The case was sent up for the orders of His Highness who approved of the opinion of the Council.

But before orders could be issued in the matter, Mr Srikantesvaraiah made a further representation in the matter almost on the same lines as those now made by Mr Bowring. The case was thereupon discussed again in Council; and the Council still adhering to their previous opinion, orders were issued from the Fin Dept in accordance with the views of the Council approved by His Highness.

Thus it will be seen that the matter was twice considered in Council and on both occasions the Council did not approve of the Dep't Com's recommendation.

A draft repg by Mr Bowring

NOTE—Contn. sheet.

GPB—61,000—17-6-12.

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12]

General and Revenue Secretariat. | File No. 176 of 1912

Serial No.

Expressing regret that the ~~Com~~ order of first cannot be reconsidered as submitted as directed

EB

Two alternative draft are submitted - one in the name of the Dewan & the other in the name of the Secretary.

EB
18/9/12

3484/19.9.12

Dewan

The Dewan has approved of the draft in the name of the Secretary.

BR
21.9.12

~~Foreign & the Secretary~~

~~Secy~~ Secy

B V II

EB
23/9

Issue
BR
23.9.12

2 To the Deputy Commr Kolar

No 445 D 23 9.1912

Stating that Govt do not see their way for a reconsideration of their order already passed in the matter -

NOTE—Contn. sheet.

DIARY No.....64.80
Oorgaum.
9th September 1912.
SECTION Muz
FILE No. 176-12
SERIAL No. 1

My dear Sir

In connection with the question of investing a portion of the surplus funds at the credit of certain muzrai Institutions in this District in the Kolar District Board Railway Debentures, to the extent of Rs. 38,000, Government in their Proceedings No. 813-4/Muz.F. 3-11-4 dated 11th October 1911, directed the Comptroller to take steps to invest a sum of Rs. 30,000 of the same in the Government of India Securities or in some other readily realisable security. The Comptroller thereupon stated that the District Board Debentures carried interest at 4% or ½% more than that of the Government of India Securities, and solicited the sanction of Government to invest the said amount in the Kolar District Board Railway Debentures, to which, Government have

2)

been pleased to observe in their letter No.Fl. 540-G.F. 257-11-2 dated 1st August 1912, to the Comptroller (copy of which I have received from him only recently for reference) that, as the securities in the Railway Debenture Loan may not be readily realisable when money is wanted by the Institutions concerned, the proposed investment does not commend itself to Government, who would prefer the investment of the same in the 3½% Government of India Securities.

2. I would here beg to submit, as Mr. Srikantesvara Aiyar has already explained in his former communications to Government on the subject, that in the case of these endowments, the principal is never intended to be utilised on any account, but only the interests accruing thereon for the purposes of conducting the stipulated Sêvas &c.

3. To meet the charges on account of repairs &c, if any, to these Institutions, a portion of the surplus has been retained to meet any immediate or future requirements, and it was suggested that the balance might be invested in

the Debentures. It is not likely that any contingency will arise necessitating the realization of the Debenture Bonds, as these small surpluses go on accumulating year after year.

4. I would respectfully urge that it is desirable and necessary that such an undertaking as the construction of the Railway line - the very first of its kind with us - should not only receive every encouragement but also have the strong moral support of Government, which can be shown by encouraging some of their own funds being invested in the concern, as, after all, our District Board affairs are mostly guided and controlled by Government ~~themselves~~, and as such, there can be no question as to the soundness of the undertaking. Above all, the funds proposed to be invested are not required for current use, and the Institutions would be profited by the 4% interest rather than the Government of India 3½% securities. This the Dharmadarsies and others interested in the management of the Institutions also strongly urge.

5. If, with the sum of Rs. 3,16,300 already collected Government would be pleased to sanction this investment,

there would remain only a sum of Rs. 45,700 to make up the four lacs, which can be collected very quickly and the loan finally closed. The Comptroller and the Government Advocate are both agreeable to this investment, and since this money is not wanted for any purpose, it does not matter, I submit whether the securities are readily realisable or not.

6. In view of these circumstances, I request that you may be pleased to give the matter your favourable consideration and very kindly reconsider the order passed by Government, and approve of the proposed investment in the Railway Debenture bonds.

Yours sincerely

T. Ananda Rao, Esquire., C.I.E.,

D e w a n.

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No. 445 Dt 28-9-1912.
Mus: 176-12-2

To, P 7 Bowring Esq

~~The~~ Deputy Commissioner, Kolar
District, ~~Kolar~~.

My dear sir,

With reference to your D.O.dated the 9th September 1912 to the Dewan regarding the investment of Muzrai funds to the extent of Rs.38,000 in the Kolar District Board Railway Debentures, I am directed to state that the decision of the Government contained in the letter dated 1st August 1912 to the Comptroller was arrived at after a full consideration of the subject in all its aspects, including the points urged by you in your D.O. under reply; and that, in the circumstances, Government do not see their way for a re-consideration of their order, for the present as all events -

Yours sincerely,

18/9/12 Offg.Secretary to Govt.

Copy 23/9/12